

## **Department of Finance**

### **Department Description**

The Department of Finance is responsible for the financial management of the city including the development, monitoring and control of the city's operating budgets. Finance is also responsible for the city's debt management including coordination of the capital improvements budget and the six-year capital improvements plan. The grants management section coordinates and oversees the city's Community Development Block Grant (CDBG) program. The purchasing office monitors, coordinates and administers the city's procurement policies and procedures, and operates the city's central print and copy services.

### **Department Mission**

To protect and enhance the fiscal integrity of the city while promoting the Mayor's citywide program initiatives.

## **Strategic Priorities for 2005**

### **From the Columbus Covenant:**

#### **Peak Performance and Customer Service**

- Implement and monitor departmental change plans generated by the operations review. These include building customer understanding through better financial reporting, increased communication with customer departments, and better coordination of the financial function throughout city government.
- Continue to develop and refine performance measures and to implement *pbviews*, the city's performance management software system. The system allows for the storing, tracking and reporting of the city's performance measures data and provides the necessary tools for the city to manage its overall performance in relation to its strategic objectives. Implementation for all departments will be completed during 2005. Additional performance management training for programs will also continue, with the goal of having all city programs trained by the end of the year.
- Working with the Department of Human Resources, finalize agreements with labor unions, which are consistent with the recommendations of the economic advisory committee on employee benefits and with the existing Fraternal Order of Police (FOP) agreement on wage increases.

- Assist with the effort to complete city capital improvement projects on time and on budget by monitoring established departmental timelines for capital projects and developing a citywide database for capital projects reporting.
- The purchasing section will improve the quality of its electronic purchasing system and potential supplier information and will continue to seek opportunities for cost savings for the city by pursuing cooperative contracting where applicable.
- The grants management section will enhance the coordination of loan servicing activities to provide for a reduction in community development loan delinquencies and to maximize program income.

### **2005 Budget Issues**

- The department's 2005 budget includes \$169,295 to begin the implementation of the *ColumbusStat* program. The addition of four budget management specialist positions will allow the budget analysts to become more involved in management analyses throughout the city. By spreading departmental budget assignments among more analysts, there will be a greater ability to focus on operations review, using performance data and other information, service-delivery issue identification and analysis of improved service delivery methods, best practices, etc. The end result will be improved management of city agencies, increased efficiencies and improved customer service.
- The department's budget includes the department's share of the maintenance contract on the accounting, budgeting and purchasing system software.
- Various expenditure items are initially budgeted in the Finance Department and, as necessary, transferred to other departments throughout the year. Examples are termination pay for general fund employees leaving city employment and certain legal expenses. By estimating these costs and appropriating them in Finance's citywide account, the city ensures that it has at least partially accounted for those expenditures and that the funds reserved for those expenses are not diverted to other uses. The annual transfer of \$750,000 to the anticipated expenditure fund is included in the citywide account.
- In 2005, the citywide account will include \$600,000, which will be transferred to the newly established safety staffing contingency fund. The new safety staffing contingency fund will be available in 2005 or future years, if needed to address any unexpected, high number of retirements of police or fire safety forces attributable to the deferred retirement option plan (DROP) program.

- Also included in the citywide account in 2005 will be \$200,000 for transfer and use under the New Americans Initiative to address language and translation issues as identified across various city departments and service areas.

## **Budget and Performance Measures Summary**

<b>DEPARTMENT FINANCIAL SUMMARY</b>					
<b>DIVISION SUMMARY</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2004 Original Appropriation</b>	<b>2004 Estimated Expenditures</b>	<b>2005 Proposed</b>
Finance	\$ 3,725,359	\$ 3,605,993	\$ 4,311,040	\$ 3,897,456	\$ 4,237,821
Finance Citywide	750,000	750,000	10,773,000	779,448	3,400,000
Citywide Technology Billings	8,813,843	7,788,696	-	-	-
<b>TOTAL</b>	<b>\$ 13,289,202</b>	<b>\$ 12,144,689</b>	<b>\$ 15,084,040</b>	<b>\$ 4,676,904</b>	<b>\$ 7,637,821</b>

DEPARTMENT SUMMARIES BY CHARACTER					
GENERAL FUND EXPENDITURES SUMMARY	2002 Actual	2003 Actual	2004 Original Appropriation	2004 Estimated Expenditures	2005 Proposed
Personnel	\$ 2,246,664	\$ 2,282,695	\$ 2,231,786	\$ 2,245,560	\$ 2,576,051
Materials & Supplies	17,754	8,836	20,272	18,142	38,437
Services	295,355	137,464	633,146	360,235	399,560
Capital	-	-	-	-	-
Transfers	750,000	750,000	10,773,000	779,448	3,400,000
<b>TOTAL</b>	<b>\$ 3,309,773</b>	<b>\$ 3,178,995</b>	<b>\$ 13,658,204</b>	<b>\$ 3,403,385</b>	<b>\$ 6,414,048</b>
GENERAL FUND CITYWIDE TECHNOLOGY BILLINGS	2002 Actual	2003 Actual	2004 Original Appropriation	2004 Estimated Expenditures	2005 Proposed
Services	\$ 8,813,843	\$ 7,788,696	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 8,813,843</b>	<b>\$ 7,788,696</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
CDBG FUND EXPENDITURES SUMMARY	2002 Actual	2003 Actual	2004 Original Appropriation	2004 Estimated Expenditures	2005 Proposed
Personnel	\$ 382,610	\$ 395,202	\$ 411,537	\$ 397,537	\$ 430,345
Materials & Supplies	2,668	420	5,500	1,990	10,250
Services	422,863	399,370	573,050	515,004	457,140
Other Disbursements	81,345	61,760	85,000	39,889	50,000
<b>TOTAL</b>	<b>\$ 889,486</b>	<b>\$ 856,752</b>	<b>\$ 1,075,087</b>	<b>\$ 954,420</b>	<b>\$ 947,735</b>
PRINT SERVICES EXPENDITURES SUMMARY	2002 Actual	2003 Actual	2004 Original Appropriation	2004 Estimated Expenditures	2005 Proposed
Personnel	\$ 101,234	\$ 193,091	\$ 206,187	\$ 197,210	\$ 127,038
Materials & Supplies	51,603	45,400	46,550	33,971	48,000
Services	116,843	81,755	98,012	87,918	101,000
Capital	6,420	-	-	-	-
<b>TOTAL</b>	<b>\$ 276,100</b>	<b>\$ 320,246</b>	<b>\$ 350,749</b>	<b>\$ 319,099</b>	<b>\$ 276,038</b>
<b>NOTES:</b>					
The 2004 transfer budget includes funds for negotiated pay increases for bargaining units with contracts expiring, termination pay for general fund employees, legal settlement and outside counsel costs.					
In 2004 and 2005, citywide technology billings are budgeted in each general fund division.					

### DEPARTMENT SUMMARY BY FUND

<b>FUND SUMMARY</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2004 Original Appropriation</b>	<b>2004 Estimated Expenditures</b>	<b>2005 Proposed</b>
General Fund	\$ 12,123,616	\$ 10,967,691	\$ 13,658,204	\$ 3,403,385	\$ 6,414,048
Print Services Fund	276,100	320,246	350,749	319,099	276,038
CDBG Fund	889,486	856,752	1,075,087	954,420	947,735
Purchasing Stores	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 13,289,202</b>	<b>\$ 12,144,689</b>	<b>\$ 15,084,040</b>	<b>\$ 4,676,904</b>	<b>\$ 7,637,821</b>

### DEPARTMENT PERSONNEL SUMMARY

<b>DIVISION</b>	<b>FT/PT*</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2004 Budgeted</b>	<b>2005 Budgeted</b>
General Fund	FT	31	30	28	33
Community Dev. Block Grant	FT	8	5	5	5
Print Services	FT	2	3	3	2
<b>TOTAL</b>		<b>39</b>	<b>38</b>	<b>36</b>	<b>40</b>

\*FT=Full-Time PT=Part-Time

Finance Department				
PROGRAM NAME: Financial Management		Appropriation/Request		FT PT
PROGRAM MISSION: To provide an annual budget and financial monitoring information and analyses to city management so that they can have useful, credible, accurate and timely financial information from which to make informed decisions		2004	\$ 1,029,600	8 0
		2005	\$ 1,137,306	12 0
<b>Service Delivery Goal:</b> Increase the level of satisfaction with the annual budget process				
<b>Measure</b>		<b>Actual 2002</b>	<b>Actual 2003</b>	<b>Mid-Year 2004</b>
<b>Objective 1</b> Maintain a level of satisfaction with the annual operating budget process at 3.5 out of 5		Satisfaction rating with the budget process with 5=strongly satisfied	2.44 3.61	Annual
<b>Service Delivery Goal:</b> Maintain a standard of accuracy with respect to expenditure projections				
<b>Measure</b>		<b>Actual 2002</b>	<b>Actual 2003</b>	<b>Mid-Year 2004</b>
<b>Objective 1</b> Maintain a standard of 99 percent accuracy of general fund expenditure projections made at third quarter		Percentage accuracy of budget projections	99.99% 99.40%	Annual
<b>Service Delivery Goal:</b> Maintain a level of satisfaction with information provided to city agencies				
<b>Measure</b>		<b>Actual 2002</b>	<b>Actual 2003</b>	<b>Mid-Year 2004</b>
<b>Objective 1</b> Maintain a standard of 90 percent satisfaction with information provided by the financial management staff to city agencies		Percentage of city staff satisfied with information provided	93% 90.91%	Annual

Finance Department				
PROGRAM NAME: Debt Management		Appropriation/Request		FT PT
PROGRAM MISSION: To coordinate the city's capital improvements budget and capital improvements plan, and to provide debt management services to city departments		2004	\$ 93,895	1 0
		2005	\$ 100,129	1 0
Service Delivery Goal: Maintain current bond rating				
Measures		Actual 2002	Actual 2003	Mid-Year 2004
<b>Objective 1</b> To maintain Aaa and AAA bond ratings, respectively, from Moody's Investors Service and Standard and Poor's Corporation	Bond rating- Moody's	Aaa	Aaa	Aaa
	Bond rating- Standard and Poor's	AAA	AAA	AAA



Finance Department				
PROGRAM NAME: Purchasing		Appropriation/Request		FT PT
PROGRAM MISSION: The purchasing office will preserve the public trust and maximize available resources by providing high quality internal customer procurement services, acquiring optimal goods and services at low cost and maximizing sales income by selling surplus at the highest prices		2004	\$ 1,352,453	15 0
		2005	\$ 1,358,117	16 0
<b>Service Delivery Goal:</b> Efficiently and effectively provide goods and services to internal customers				
	Measures	Actual 2002	Actual 2003	Mid-Year 2004
<b>Objective 1</b> Obtain an internal customer satisfaction rating of 3.75 or higher on annual surveys (on a scale of 1-5 with 5 being the most satisfied)	Internal customer satisfaction rating	3.70	3.78	3.78
<b>Objective 2</b> To achieve an average turnaround time (bid to contract) for informal bids of 30 calendar days or less	Average number of days for informal turnaround	33	25	25.07
	Total number of informally bid contracts	1,735	1,381	777
<b>Objective 3</b> To achieve an average turnaround time (bid to contract) for formal bids of 120 calendar days or less	Average number of days for formal bid turnaround	157	165	164
	Total number of formally bid contracts	230	257	75
<b>Objective 4</b> To achieve an average turnaround time (from request to purchase order) for Universal Term Contract purchase orders of 3 calendar days or less	Average number of days for formal bid turnaround	2.4	1.3	1.3
	Total number of formally bid contracts	2,623	2,722	1,737
<b>Objective 5</b> Maintain administrative costs at less than 2% of dollars expended	Ratio of administrative cost to dollars expended	<2%	<2%	<2%

<b>Service Delivery Goal:</b>		Maximize resources by attracting competition for purchases and sales from external customers (potential bidders/offers)		
	<b>Measures</b>	<b>Actual 2002</b>	<b>Actual 2003</b>	<b>Mid-Year 2004</b>
<b>Objective 1</b>				
Obtain an external customer service satisfaction rating of 3.75 or higher on annual surveys	<b>External customer satisfaction rating</b>	New	New	Annual
<b>Objective 2</b>				
To develop viable specifications for bids by achieving a re-bid rate of less than 10%	<b>Re-bid rate</b>	New	New	0.01%
<b>Service Delivery Goal:</b>		To preserve the public trust with regard to the city's procurement activities		
	<b>Measures</b>	<b>Actual 2002</b>	<b>Actual 2003</b>	<b>Mid-Year 2004</b>
<b>Objective 1</b>				
To maintain an annual record of zero lawsuits due to bid actions	<b>Number of lawsuits successfully pursued as a result of city procurement activities</b>	0	0	0
<b>Objective 2</b>				
To maintain an annual record of zero bid protests that are successfully pursued by bidder	<b>Number of bids protests filed</b>	New	New	New
	<b>Number of bids protests successfully pursued</b>	0	0	0

<b>Service Delivery Goal:</b>		To provide high quality public purchasing training and educational opportunities		
	<b>Measures</b>	<b>Actual 2002</b>	<b>Actual 2003</b>	<b>Mid-Year 2004</b>
<b>Objective 1</b>				
To conduct 5 internal cooperative purchasing meetings and 5 Performance Series special interest group meetings annually	<b>Number of internal cooperative purchasing meetings conducted</b>	5	5	3
	<b>Number of SIG meetings</b>	5	5	2
<b>Objective 2</b>				
To conduct 2 subject matter workshops annually	<b>Number of workshops conducted</b>	New	New	0
<b>Objective 3</b>				
To conduct at least one outreach activity	<b>Number of outreach activities</b>	New	5	2

Finance Department				
PROGRAM NAME: Print Shop/ Copy Center		Appropriation/Request		FT PT
PROGRAM MISSION: To provide timely and quality print and copy services to city agencies		2004	\$ 350,749	3 0
		2005	\$ 276,038	2 0
Service Delivery Goal: To fulfill customer print and copy needs to their satisfaction				
Measures		Actual 2002	Actual 2003	Mid-Year 2004
Objective 1 To satisfy at least 95% of all customers	% customers satisfied based on internal customer satisfaction rating	New	99%	Annual
Objective 2 To complete copy jobs in less than 3 days	Average turnaround time for copy jobs	New	New	New
Objective 3 To complete print jobs in less than 7 days	Average turnaround time for print jobs	New	New	New

Finance Department				
PROGRAM NAME: Grants Management		Appropriation/Request		FT PT
PROGRAM MISSION: To ensure that the City of Columbus is in fiscal and programmatic compliance with CDBG, HOME, ESG and HOPWA grant programs		2004	\$ 451,273	5 0
		2005	\$ 470,080	5 0
<b>Service Delivery Goal:</b> Provide efficient and effective monitoring of grant programs				
Measures		Actual 2002	Actual 2003	Mid-Year 2004
<b>Objective 1</b> Ensure that 100% of grant-funded programs monitored are in compliance with city and federal regulations	Number of programs monitored	21	16	7
	Number of programs where findings were cited	0	0	0
	Percent of programs in compliance	100%	100%	100%
<b>Service Delivery Goal:</b> Provide budgetary and cash management analysis				
Measures		Actual 2002	Actual 2003	Mid-Year 2004
<b>Objective 1</b> Ensure that 100% of grant expenditures are in fiscal compliance with city and federal regulations	Total amount of expenditures	\$ 21,666,848	\$ 20,726,147	\$ 10,716,876
	Total amount of expenditures in compliance	\$ 21,666,848	\$ 20,718,323	\$ 10,660,577
	Percent of expenditures in compliance	100%	99.96%	99.47%
<b>Service Delivery Goal:</b> Provide environmental review and prevailing wage compliance services				
Measures		Actual 2002	Actual 2003	Mid-Year 2004
<b>Objective 1</b> Ensure that 100% of federal projects, subject to 24 CFR Part 58, are in compliance with federal environmental review regulations	Number of projects reviewed	454	755	283
	Number of projects found in non-compliance	0	0	0
	Percent of projects in compliance with environmental review regulations	100%	100%	100%
<b>Objective 2</b> Ensure that 100% of CDBG and HOME projects are in compliance with federal prevailing wage regulations	Number of projects reviewed	1	4	2
	Number of projects found in non-compliance	0	0	0
	Percent of projects in compliance with prevailing wage regulations	100%	100%	100%

Finance Department							
ALL OTHER PROGRAMS							
Program/Activity	Description	2004 Budget			2005 Budget		
		FT	PT	Appropriated	FT	PT	Proposed
Administration	Provides direction to all Finance operations with the ultimate goal of protecting and enhancing the fiscal integrity of the city.	4	-	\$ 409,256	4	-	\$ 418,496
Grants Management	Provides contracts for fair housing services as well as loan servicing.	-	-	623,814	-	-	477,655
City-Wide Account	Holding account for later transfer to general fund divisions.	-	-	10,773,000	-	-	3,400,000
<b>TOTAL</b>		<b>4</b>	<b>-</b>	<b>\$ 11,806,070</b>	<b>4</b>	<b>-</b>	<b>\$ 4,296,151</b>